

No. 11,965

IN THE

United States Court of Appeals
For the Ninth Circuit

M. O. JOHNSTON OIL FIELD SERVICE
CORPORATION,

Appellant,

vs.

LANE-WELLS COMPANY, a corporation,
Appellee.

REPLY BRIEF ON BEHALF OF APPELLANT,
M. O. JOHNSTON OIL FIELD SERVICE CORPORATION.

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PRELIMINARY.

This brief is appellant Johnston's reply to appellee Lane-Wells' answering brief. We respectfully submit, as pointed out further on herein, that each and every of appellee Lane-Wells' contentions is fully refuted by the evidentiary findings of fact of the District Court, and that in view of these evidentiary findings of fact, that the District Court erred in concluding that the patent in suit is valid and that it disclosed a device embodying invention.

We wish to point out that even in its ultimate conclusions or "findings" of "invention" and "validity", the District Court expressed doubt. For example, in conclusion 4:

"Although doubt exists whether the device of the Lane patent in suit involves more than a mere aggregation of old elements which produce a result not different in kind * * *

and in conclusion 5

“While it is doubtful whether, in effecting the combination of perforator and tester, more than the ingenuity involved in the work of a mechanic skilled in the art was called into play * * *”

and in conclusion 6

“Although doubt exists whether the Lane patent in suit describes and claims the alleged invention with the definiteness and specificity required by R. S. § 4888 * * *”

We say that in view of the evidentiary findings of fact where the Court was in no doubt, the Court could properly come to but one conclusion, and that was lack of “invention” and “invalidity”, as we pointed out in our opening brief and as we will point out in answering the contentions of the appellee Lane-Wells.

APPELLEE LANE-WELLS' CONTENTIONS ON PAGE 3 OF ITS BRIEF 1. “The Lane patent in suit is not for an aggregation but a true combination and is valid.” 2. “The combination of elements of the Lane patent claims accomplishes results that are better than and different from the results of the operation of the elements used separately.” **ARE BASED UPON A SMALL ISOLATED PORTION ONLY OF THE FINDINGS OF FACT WHICH WHEN TAKEN ALONE IS MISLEADING.**

Both of the above contentions are based on the Court's conclusion of law 4 (Tr. 70) and finding of fact 42 (Tr. 61) (taken alone), which finding of fact appellee Lane-Wells says is to the effect that the combined gun perforator and formation tester such as disclosed in the Lane patent will obtain a formation sample such as cannot be obtained where the gun perforator and formation tester are used separately. However, when this finding is read in conjunction with companion findings (which are not referred to by

appellee Lane-Wells in its brief), an entirely opposite picture is presented which is that *the difference in the formation sample so obtained is immaterial*. We quote the following findings of fact (Tr. 62):

“43. In perforating a well casing and making a production test, by separately running a formation tester and perforating gun, the time elapsed between perforating and testing will permit an additional small amount of filtrate water to penetrate into the oil sands immediately surrounding the perforations.

44. In running a perforator gun and a tester separately, where a sample of the formation fluid is obtained in the tester, the amount of filtrate water in the test sample would be from approximately one to five per cent more than would be obtained by running the tester and perforating gun together.

45. When a sample of the native formation fluid is obtained in the tester, an increase of one to five per cent in the amount of filtrate water taken into the tester with said sample would not normally have any disadvantageous effect as far as the efficiency of the test is concerned, in determining the nature and characteristics of the native formation fluid.”

From the above findings of fact 43, 44 and 45, taken in connection with finding of fact 42, the latter being the one upon which appellee Lane-Wells bases its argument, it is found that although the sample taken may be different, the difference is entirely immaterial as far as the effectiveness and character of the test is concerned.

Thus, when all of the Court's findings of fact 42, 43, 44 and 45 are read together, appellee Lane-Wells'

above-quoted contentions are shown to be based upon distortion of the findings and are without factual foundation.

In that appellee Lane-Wells' factual premise as to the above contentions has no sound basis, the authorities cited are not in point and of no aid to appellee Lane-Wells.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 7 OF ITS ANSWERING BRIEF "It is not necessary to use a bailer or swab with the gun perforator and formation tester of the Lane patent, but if a bailer or swab is used, a more representative sample is secured than is secured by the use of the gun perforator and formation tester separately" **IS DIRECTLY CONTRARY TO THE FINDINGS OF FACT.**

Appellee Lane-Wells, in support of the above contention, says (page 7 of appellee Lane-Wells' brief): "a more representative sample is secured than is secured using the gun perforator and formation tester separately for the reasons set forth in the preceding section (1)." As stated under our preceding heading, the Court found as a fact that no better test is secured. See Findings of Fact Nos. 43, 44 and 45 (Tr. 62) reproduced on the preceding pages herein.

Further, unless a bailer or swab is used (and how so to do is not described in the patent), a sample entering the device of the Lane patent in suit cannot be removed to the surface. The Court so found; see Findings of Fact Nos. 35 and 36 (Tr. 59 and 60):

"35. The Lane patent in suit fails to disclose a device which is of any practical benefit to the oil industry, *unless additional auxiliary devices or equipment not described or illustrated in the patent are used in connection therewith, to remove the sample from the device and elevate the sample to the surface of the well.* (Italics ours.)

36. The only operation which the device described and illustrated in the Lane patent has by itself, and with the mode of operation as set forth in that patent, would be the ability to be lowered into a well bore, set the packer to divide the well bore into an upper and lower zone, fire a perforating bullet through the well casing, and permit a sample to enter the tester; *and such patent does not describe or illustrate any means or method for removing the sample from the tester to the surface of the well when making a test under normal and usual conditions, as described above in findings Nos. 25-30.*" (Italics ours.)

Thus the very findings of fact fully refute appellee Lane-Wells' contention (above) "It is not necessary to use a bailer or swab with the gun perforator and formation tester of the Lane patent." It certainly is if one wishes to recover a sample in the normal testing of oil wells.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 7 OF ITS BRIEF "The combined gun perforator and formation tester of the Lane patent saves time, and hence expense, by securing a formation sample more quickly than it can be secured by the use of a gun perforator and formation tester separately" IS DIRECTLY CONTRARY TO THE FINDINGS OF FACT.

Obviously, it is true that in a device such as the accused apparatus, wherein the sample can be elevated to the surface directly in the device, time saving is normally effected over the separate running of a gun and a tester, *but this is not true of the patented device as the Court found as a fact, for the reason that in order to recover the sample from the device of the patent in suit, it is necessary to remove the sample by means of bailers, swabs or other apparatus not mentioned or described in the patent and by a mode of operation not found in the patent.* We refer the Court to finding of fact 37 (Tr. 60):

“37. If the Lane device were employed to make a test and separate instrumentalities, such as bailers, were required to remove the test sample from the device so that the sample may be brought to the surface, *as much time would be required*, under the conditions described above in findings Nos. 25-30, *to make the test and recover such sample as would be required by the use of a separate perforating gun and formation tester.*” (Italics ours.)

We also refer this Court to findings of fact 35 and 36 (Tr. 59-60), wherein the Court found that the device of the Lane patent can not function to recover and elevate a test sample, and, therefore, separate instrumentalities must be used to remove the test sample from the device of the patent in suit and elevate it to the surface. Therefore, appellee Lane-Wells' contention above referred to is based upon a false premise and is directly contrary to the actual findings of fact of the District Court. Consequently, the cited authorities are not in point.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 14 OF ITS ANSWERING BRIEF “That the packer, gun perforator, and formation tester in the combined tool perform their inherent functions and are individually old does not detract from the patentability of their combination; otherwise no valid patent on a combination of old elements could exist” **TOTALLY IGNORES THE APPLICABLE FACTS AND LAW.**

Certainly, where old elements so cooperate as to modify the function of each other and thereby produce a new and different result, patentable combination can exist. This is not the case in the present instance (when the claims are measured by the accused device), because the Court found as fact that in the accused apparatus no such cooperation and modification of functions resulted, because the tester and the gun each separately operate in its old manner to perform its

old function to produce its same old result that they separately perform when run into a well bore separately (Tr. 66):

“66. When the Johnston Formation Tester and the Johnston Perforator Gun are connected together and lowered in a well bore for operation, they are each separately operated to perform exactly the same function in the same manner that they perform when run into a well bore separately.

67. In the use of the accused apparatus, the Johnston Perforating Gun is screwed to the bottom of the Johnston Formation Tester and the two are lowered into the well bore simultaneously, and upon reaching the point of testing, the Johnston Perforator Gun is operated and fired in precisely the same manner that it is operated and fired when it is run into a well casing for perforating without a Johnston Formation Tester; and after firing the accused apparatus is elevated in the well bore and then the packer of the Johnston Formation Tester is set and the Johnston Formation Tester in all respects is operated precisely as it is operated when it is run into a well bore for making a test without the Johnston Perforator Gun connected therewith.

68. When a perforating gun is connected to the lower end of a formation tester or sample receiver to be run into a well bore or well casing simultaneously, the operation of the gun does not change or modify the operation of the formation tester or sample receiver, and the operation of the formation tester or sample receiver does not change or modify the operation of the perforating gun.

69. When a perforating gun is connected to the lower end of a formation tester or sample receiver to be run into a well bore or well casing simultaneously, each device separately operates

in its old accustomed manner, and there is no change in the operation of either, save and except the length of the time interval between the operation of the two devices.”

Therefore, the Lane claims, measured by these findings of fact under the law cited in our opening brief (page 25), must be found to define nothing but a pure aggregation and not a patentable combination. Manifestly, the contention made by appellee Lane-Wells quoted above is based upon a factual situation not present in the case at bar and the cited supporting authorities are not in point.

ON PAGE 17 OF APPELLEE LANE-WELLS' ANSWERING BRIEF IT MAKES THE CONTENTIONS “The Lane patent is for a combination of mechanical elements, not an ‘abstract idea,’ and is valid. A. The claims of the Lane patent in issue define, not an ‘abstract idea,’ but a combination of mechanical elements and their physical and cooperative relationship.” THIS CONTENTION IS CONTRARY TO THE POSITION WHICH APPELLEE LANE-WELLS MAINTAINED AT THE TRIAL OF THE CASE AND CONTRARY TO THE DISTRICT COURT’S OPINION.

During the trial of the case, the following colloquy occurred between counsel for appellee Lane-Wells, the Court, and the witness O’Neill:

“The Court. Perhaps we can save time on claim 7, Exhibit 1.¹ Does the defendant² claim it means any particular type of packer or does it mean any packer that will serve the purpose—any packer that will function as a packer?

Mr. Foster. Any packer that will function as a packer for the purposes described in the patent, yes, your Honor.

The Court. There is no invention claimed in the packer itself?

Mr. Foster. No, sir.

The Court. Doesn’t that meet the question?

¹The Lane patent in suit.

²The appellee Lane-Wells.

Mr. Mellin. That would as to one element.

The Court. As far as claim 7 is concerned.

Mr. Mellin. Claim 7 goes on, your Honor:

‘In combination; a packer adapted when set to divide a well casing into upper and lower zones; and a gun means suspended from said packer in said lower zone; said gun means arranged to drive a projectile through the surrounding well casing.’ I should like to, and I think I am entitled to ask the witness whether or not that describes, that description of the gun means describes to him any particular gun means or all gun means capable of accomplishing that function.

The Court. *I will sustain the objection upon the ground it is clear to me. It does not describe any particular means.* I do not need an expert on that.” (Italics ours.)

From the above it is evident that what appellee Lane-Wells contends is the patented invention is the combination of *any gun, any packer, and any tester regardless of its mechanical structure or mode of operation*. Under the cases cited in our opening brief, and particularly the cases cited by appellee Lane-Wells, to-wit, *Killefer Mfg. Co. v. Dinuba Associates, Ltd.*, 67 Fed. (2d) 362 (C.C.A. 9), and *R. G. Le Tourneau, Inc. v. Garwood Industries, Inc.*, 151 Fed. (2d) 432 (C.C.A. 9), together with the case of *Knapp v. Morse*, 150 U.S. 221, 14 S. Ct. 81, such claims are for an abstract idea of “combination” and are repugnant to the well-established rules of law. To be valid, claims of a patent must define the invented device by the constructional characteristics of its elements and not merely by the function of such elements. Obviously the claims of the patent do not do so and are therefore invalid because they claim merely an abstract idea (see our opening brief chapters commencing on pages

14, 17 and 60) and are functional, vague, indefinite and do not comply with R.S. 4888.

THE CONTENTION OF APPELLEE LANE-WELLS ON PAGE 19 OF ITS BRIEF "The law applicable to the facts here presented is that a new combination of old mechanical elements accomplishing a new and better result or an old result in a more facile, economical, and efficient manner is a patentable combination" **ASSUMES THAT THE DEVICE OF THE LANE PATENT ACCOMPLISHES A NEW AND BETTER RESULT OR AN OLD RESULT IN A MORE FACILE, ECONOMICAL AND EFFICIENT MANNER, AND TO THIS EXTENT IS CONTRARY TO THE FINDINGS OF FACT BY THE DISTRICT COURT.**

We have already pointed out that in findings of fact 42, 43, 44 and 45 (Tr. 61 and 62) the District Court clearly found that no new or better result was obtained by the patent device. In the following quoted findings of fact the Court clearly found that the device of the Lane patent in suit did not even accomplish an old result in a more facile, economical or efficient manner (Tr. 59 and 60):

"35. The Lane patent in suit fails to disclose a device which is of any practical benefit to the oil industry, unless additional auxiliary devices or equipment not described or illustrated in the patent are used in connection therewith, to remove the sample from the device and elevate the sample to the surface of the well.

36. The only operation which the device described and illustrated in the Lane patent has by itself, and with the mode of operation as set forth in that patent, would be the ability to be lowered into a well bore, set the packer to divide the well bore into an upper and lower zone, fire a perforating bullet through the well casing, and permit a sample to enter the tester; and such patent does not describe or illustrate any means or method for removing the sample from the tester to the surface of the well when making a test under

normal and usual conditions, as described above in findings Nos. 25-30.

37. If the Lane device were employed to make a test and separate instrumentalities, such as bailers, were required to remove the test sample from the device so that the sample may be brought to the surface, *as much time would be required, under the conditions described above in findings Nos. 25-30, to make the test and recover such sample as would be required by the use of a separate perforating gun and formation tester.*" (Italics ours.)

Therefore, the law cited by appellee Lane-Wells is inapplicable to the facts in the case at bar as set forth in the Court's findings of fact.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 21 OF ITS BRIEF "The combination of the Lane patent is useful and the patent is valid" **CANNOT BE SUSTAINED AS A MATTER OF LAW IN VIEW OF THE EVIDENTIARY FINDINGS OF FACT OF THE DISTRICT COURT.**

For example, we quote finding of fact 35 (Tr. 59):

"35. The Lane patent in suit fails to disclose a device which is of any practical benefit to the oil industry, unless additional auxiliary devices or equipment *not described or illustrated in the patent* are used in connection therewith, to remove the sample from the device and elevate the sample to the surface of the well." (Italics ours.)

We have pointed out in our opening brief (page 49) that if the apparatus of the patent will not accomplish the result without the addition or subtraction to the apparatus disclosed, the patent is invalid (citing *O'Reilly v. Morse* (Telegraph Case), 15 How. 62, 56 U.S. 62, 14 L. Ed. 601; *Mitchell v. Tilghman*, 86 U.S. 287, 19 Wall. 287, 22 L. Ed. 125; *Beidler v. United States*, 253 U.S. 447, 453 (1920), 40 S. Ct. 564; *Houston v. Brown Mfg. Co.*, 270 Fed. 445, at

448; *Permutit Co. v. Graver Corporation*, 284 U.S. 52, 52 S. Ct. 53; *Special Equipment Co. v. Ooms*, 153 Fed. (2d) 121).

Appellee Lane-Wells refuses in its brief to meet this contention head-on by pointing out where in the patent there is any teaching of how to use a bailer or other apparatus to remove the sample from the tool after it is collected therein, or to point out where in the patent it teaches or states that such additional apparatus is necessary. Further, appellee Lane-Wells fails to point out in its brief where in the patent it tells or teaches how to use a "bean" so that a sample can be taken by the tool of the patent. Thus, appellee Lane-Wells fails completely to take the patent out of the rule of law stated in *O'Reilly v. Morse* (Telegraph Case), 15 How. 62, 56 U.S. 62, 14 L. Ed. 601, in which the Court stated:

"The provisions of the Acts of Congress in relation to patents may be summed up in a few words.

Whoever discovers that a certain useful result will be produced, in any art, machine, manufacture or composition of matter, by the use of certain means, is entitled to a patent for it; *provided he specifies the means he uses in a manner so full and exact, that anyone skilled in the science to which it appertains, can, by using the means he specifies, without any addition to or subtraction from them, produce precisely the result he described. And if this cannot be done by the means he describes, the patent is void.*"

Thus, appellee Lane-Wells in urging by its argument that the apparatus of the patent will function to some extent, but without a saving of time; without obtaining a better sample in a more efficient, facile or economical manner, by the use of apparatus, tools and

modes of operation not even mentioned in the patent, condemns its own patent to the death of invalidity.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 22 OF ITS BRIEF "B. The record establishes that the combined gun perforator and formation tester of the Lane patent can successfully secure a sample of the formation liquids. The Court, in part of its finding 31, states: 'A satisfactory sample could possibly be secured by adding a liquid cushion above the sample in the Lane apparatus before the packer is released and by employing a bean at the surface of the ground, thus controlling the rate of inflow of the mud to the apparatus after the packer is unseated.' (Tr. 59)" **EMPHASIZES THE INVALIDITY OF THE PATENT.**

As stated under the preceding chapter in this brief, no where in the patent does it even mention the use of a "bean" or a "liquid cushion", or how one can employ a "bean" to obtain the result mentioned. Consequently the patent is invalid for failure to describe such additional apparatus or new mode of operation. Certainly, if a "bean" must be employed or a "cushion" (just how such can be employed we do not know, and the record does not tell us, *and the patent does not tell us*), to make the device of the patent operative to a limited extent, such employment manifestly would require a mode of operation of the patented device entirely foreign to and different from that described in the patent itself. *This by itself is proof of invalidity of the patent under the authorities cited in connection with the previous section.*

APPELLEE LANE-WELLS' CONTENTION ON PAGE 24 OF ITS BRIEF "C. A patent is not invalid for lack of utility because the embodiment of the invention it illustrates and describes is not the best commercial form or requires changes or additions or the use of other devices known in the art" **IS WITHOUT MERIT IN LAW.**

This contention is fully answered in the chapter of our opening brief commencing on page 44 thereof. Further, the argument of appellee Lane-Wells under this contention completely ignores the rules of law

requiring that the patent itself *must define the use of all apparatus necessary to its operation* as well as the mode of operation thereof.

The necessary use of additional devices to make the patented device operate, even assuming such additional devices are known in the art, would require giving the patented device a different mode of operation entirely foreign to that described in the patent.

This spells invalidity; see page 44 of our opening brief and pages 4-5 of this brief.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 29 OF ITS BRIEF "E. Plaintiff has paid tribute to the utility of the claimed invention by appropriating it" IS WITHOUT FOUNDATION.

In the first place, appellant Johnston can not be deemed to have appropriated the device of the patent in suit because the Court found as a fact and as a matter of law that *the accused apparatus does not infringe the Lane patent in suit* (finding 77—Tr. 69). Further, the Court found as a fact (findings 78 and 79—Tr. 69) that the accused apparatus is substantially different in construction and mode of operation from the apparatus disclosed in the Lane patent in suit, and that the results obtained by the accused apparatus are obtained by a mode of operation substantially different from the mode of operation disclosed in the Lane patent in suit. Therefore, there is no basis for appellee Lane-Wells' contention that appellant Johnston has appropriated the device of the patent in suit.

Secondly, for the reasons just stated there is no basis for the appellee Lane-Wells' above quoted statement that plaintiff *admitted paying tribute to the utility of the claimed invention by appropriating it*. We defy appellee Lane-Wells to substantiate any such inference or concession from the record.

APPELLEE LANE-WELLS' CONTENTION ON PAGE 30 OF ITS BRIEF "F. Industry has paid tribute to the utility of the claimed invention by paying royalty for its use" SHOWS THE RIDICULOUS LENGTH TO WHICH THIS APPELLEE LANE-WELLS WILL GO IN ORDER TO ATTRIBUTE MERIT TO THE INVENTION OF THE PATENT IN SUIT.

The license agreement referred to was entered into over a year and a half after this suit was filed. In fact, the license agreement was entered into after the start of the trial of this cause in the District Court, which trial commenced on July 15, 1947, and after the taking of some testimony was recessed until November 25, 1947. Therefore, the license agreement referred to by appellee Lane-Wells to support the above contention was entirely incompetent, immaterial and irrelevant, and should not have been admitted over appellant Johnston's objection. In spite of its admission, it still is of no probative value in showing public acquiescence or payment of tribute to the patent in suit. To rely upon it for comfort, appellee Lane-Wells indeed must be desperate for props for its totally invalid patent.

RE APPELLEE LANE-WELLS' CONTENTIONS ON PAGES 32 AND 33 OF ITS BRIEF "The claims of the Lane patent are definite, comply, with R. S. 4888, and are valid. A. The Court so specifically held in its conclusion 6 (Tr. 71) and also generally so held in its conclusions of validity numbered 4, 5 and 7 (Tr. 70, 71). B. Plaintiff and its counsel clearly understood the claims of the Lane patent. C. Plaintiff's expert clearly understood the claims of the Lane patent. D. The doctrine of the Halliburton case does not apply to the claims of the Lane patent." ARE UNSUPPORTED BY THE RECORD.

With respect to "A" above, the Court only held the claims valid *if* they were limited to the precise apparatus disclosed in the patent in suit. This is clear from the conclusions of law of the Court 7 and 8, wherein the Court held that the claims must be in-

terpreted to be limited to the precise device shown in the patent. Obviously, the Court would not have so limited the claims, had it been able to find them valid without such limitation.

Appellant Johnston admits that plaintiff and its counsel clearly understood the claims of the Lane patent as did the witness O'Neill, because it was clear to both plaintiff, its counsel and the witness O'Neill, as well as to the District Judge, that the claims attempted to cover any combination of a packer of any type, construction or mode of operation with a perforating gun of any type, construction and mode of operation, and a formation tester of any type, construction and mode of operation, regardless of how the three were assembled together. That the District Judge clearly so understood the patent claims is obvious from his statement to that effect set forth on pages 8-9 of this brief.

Therefore, appellee Lane-Wells' contentions above set out are without merit and without support in the record.

APPELLEE LANE-WELLS' CONTENTIONS ON PAGE 38 OF ITS BRIEF "The Lane patent is for a combination involving the inventive faculty, more than mechanical skill, and is valid. B. The Court's findings with respect to the Johnston accused tool are in no way inconsistent with invention being involved in the Lane patented device." ARE DIRECTLY CONTRARY TO THE COURT'S ACTUAL FINDINGS IN THE MATTER.

The District Court found as a fact that connecting the Johnston Formation Tester, which had been long separately used to make formation tests, with the Johnston Perforator Gun, which had been separately used to perforate well casing (perforator guns for such purposes being old in the art long prior to appellee Lane-Wells' patent as is the case with the test-

ers), required only mechanical skill. We quote the following findings (Tr. 66-64):

“63. The Johnston Formation Tester, which forms a part of the accused apparatus, is capable of, has been, and is now used separately from any other apparatus to test the formation penetrated by well bores by sampling the same.

64. The Johnston Perforating Gun, which is used as a part of the accused apparatus, is also capable of and is used separately from a testing tool or formation tester to perforate well casings in place in a well bore.

65. No structural modification was necessary, either in the Johnston Formation Tester or the Johnston Perforator Gun, in order to connect them together to form the accused apparatus.”

* * * * *

“58. It required only mechanical skill to perform the act of connecting the Johnston Formation Tester to the Johnston Perforating Gun to produce the accused apparatus.”

In view of these findings of fact, there is no legal basis upon which to support appellee Lane-Wells' contentions above quoted.

ON PAGE 45 OF ITS BRIEF APPELLEE LANE-WELLS MAKES THE CONTENTION THAT THE DISTRICT COURT'S ULTIMATE FINDING THAT THE LANE PATENT IS VALID SHOULD NOT BE SET ASIDE IS NOT IN ACCORD WITH THE AUTHORITIES INCLUDING AUTHORITIES OF THIS COURT.

It is evident from the findings of fact and the conclusions of law of the District Court in the record that the ultimate finding of validity by the District Court is an “ultimate finding”, inference or conclusion drawn by the trial Court from the actual fact findings. We maintain, and we are convinced that the record bears us out, that the inference or conclusion of valid-

ity drawn by the trial Court from the fact findings, as heretofore set forth in this brief on each of the points raised by appellee Lane-Wells, is clearly erroneous. It is, therefore, such a "finding of fact" that this Court is at liberty to set aside as erroneous under the rule of *Kuhn v. Princess*, 119 Fed. (2d) 704, which states the rule as follows:

"The appellee reminds us that we are not at liberty to disturb findings of fact made by the trial court unless they are unsupported by evidence or are otherwise clearly erroneous. Rule 52(a), 28 U.S.C.A. following section 723c.

* * * * *

"The rule does not operate, however, to trench with like finality the inferences or conclusions drawn by the trial court from its fact findings. And so, while accepting the facts competently found by the trial court as correct, an appellate court remains free to draw the ultimate inferences and conclusions which, in its opinion, the findings reasonably induce. * * * Where the evidentiary facts are not in conflict or dispute, the conclusions to be drawn therefrom are for the appellate court upon review of the trial court's action. Cf. *United States v. South Georgia Railway Co.*, 5 Cir., 107 F. (2d) 3, and *United States v. Mitchell*, 8 Cir., 104 F. (2d) 343, 346. An incorrect conclusion by a trial court qualifies as a 'clearly erroneous' finding, for the correction whereof on appeal Rule 52(a) specifically provides."

This Court approved the rule of that case in the case of *Home Indemnity Co. of New York v. Standard Acc. Ins. Co. of Detroit*, 167 Fed. (2d) 919. See also *Murray v. Novlesville Milling Co.*, 131 Fed. (2d) 470.

It is our contention here, and we believe it to be completely and fully supported by the evidentiary find-

ings of fact, that the ultimate findings and conclusions of “invention” and “validity” (which are the sole ones which can be relied upon by appellee Lane-Wells in this sort of an argument) are in direct conflict, and that such ultimate findings and conclusions of “invention” and “validity” referred to are incorrect conclusions by the trial Court. Therefore, such “findings” qualify as clearly erroneous findings for the correction whereof on appeal Rule 52(a) specifically provides. As an authority for this last proposition, we refer again to the cases above cited.

We say that the cases of *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 9 Cir., 151 Fed. (2d) 91; *Refrigeration Engineering, Inc. v. York Corporation*, 168 Fed. (2d) 896, as well as the case of *Bianchi v. Barili*, 168 Fed. (2d) 793, are not in point because those cases deal with the evidentiary findings of fact as well as the findings inferred therefrom. That is not the case here because a correct application of the law to the evidentiary findings of fact would properly result only in ultimate “findings” or “conclusions” that the patent in suit is totally invalid on any and all of the following grounds:

(a) The claims of the patent define (when measured by the accused apparatus) an unpatentable aggregation and not a patentable combination.

(b) The claims of the patent in suit do not define the invention with the particularity required by R.S. 4888.

(c) The apparatus of the patent will not accomplish its intended result without addition thereto of other devices, apparatus or equipment not described or referred to in the patent, and invalidity is shown

by the lack of sufficient description as well as inoperability and lack of utility.

(d) The claims of the patent are for an abstract idea, and an abstract idea is unpatentable.

(e) The claims are invalid as not defining an invention, when measured by the accused apparatus, because it required only mechanical skill to produce the accused apparatus.

(f) In that the device shown in the patent in suit is not of any practical benefit in industry when constructed and operated in accordance with the specification and drawings of the patent.

CONCLUSION.

We respectfully urge that the Court may find the patent in suit and the claims thereof totally invalid on any and all of the grounds set forth under the preceding chapter of this brief, and we respectfully pray that the judgment of the District Court to the extent that it holds the patent in suit and the claims thereof to be valid be reversed.

Dated, San Francisco, California,
April 15, 1949.

Respectfully submitted,

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